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LATIN AMERICA REPORT

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PETROLEUM RESERVES REMAIN UNTAPPED DUE TO LACK OF CAPITAL

Lima LA PRENSA in Spanish 6 Jul 83 p 5

[Text] Despite the fact that oil is abundant in our country, the companies exploiting this form of energy have decided not to extract it because the costs of exploitation are very high and the price for a barrel of oil is very low.

Our country has enough petroleum reserves to last for about 100 more years, by exploiting various new areas such as the jungle and the continental shelf. Research has proved that there are large deposits of oil in those areas, a number of well-known specialists on this subject declared yesterday.

They pointed out that although petroleum production has declined considerably, existing reserves are sufficient to last, conservatively speaking, until the year 2000.

Nestor Teves Rivas and Victor Sanz Parra, participants in the Fifth Peruvian Congress of Geology, indicated that the exploitation of petroleum in our country has recently been only at an early stage. Teves said: "We still need to exploit unsettled areas where research shows that there is a great deal of oil."

Both experts agreed that the principal problem faced at present is the low price of oil. This makes the cost of exploitation of our reserves very high. For that reason many companies have chosen not to work.

They said that what is needed is to give greater support to Petroperu [State Petroleum Agency] so that it can continue its work in exploration areas which will make it possible to discover additional deposits of petroleum.

They stated that research has determined that in the Huallaga River basin and other jungle areas there are large petroleum reserves, as well as on the continental shelf adjoining the entire coast.

The only areas presently producing oil are the Talara and Sechura fields. The rest have not yet begun their production phase, but it is reliably known that there is oil still to be found. The most recent oil discovery that has been proved out was near Arequipa.

Nestor Teves, who is the director of scientific activities of the organizing committee of the congress, indicated that the problem of the oil that may be found in the jungle is that it is very heavy and that the best course of action would be the establishment of petrochemical industries near the producing wells. He said: "Heavy oil cannot be moved by pipeline to the coast."

He added that the production of oil has declined recently, from 20 million barrels per day down to 17 million. Teves said: "The principal problem is the lack of capital, the lack of the necessary technology, and the low price of oil."

He recommended that greater support should be provided for oil production in order to reduce the imports of certain petroleum products.

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IGLESIAS ROUCO PONDERES IMPACT OF ALFONSIN'S TRIUMPH

Buenos Aires LA PRENSA in Spanish 13 Jul 83 pp 1, 4

[J. Iglesias Rouco Commentary: "Alfonsin"]

[Text] Mr Alfonsin has emerged the clear winner in the Radical "internal struggle" and will unquestionably be his party's undisputed candidate at the 30 October elections. After 17 years of military governments or Peronism, which, all things considered, is the military party par excellence (albeit not of the entire military, far from it), Alfonsin will also be the first Radical nominee who will have a reasonable chance to become the president of a constitutional regime. This prospect alone makes the upcoming elections much more interesting from the standpoint of democracy than the ones in 1973. We could say in this regard that this time the ballot box might be of some use other than to sanction the de facto totalitarianism that Argentina has suffered from for the past 40 or 50 years.

Perhaps. Because the fact is that for the time being Mr Alfonsin is a big question mark. We are satisfied with the existence of this question mark simply because over the past two decades we have not been bothered by any such uncertainties. To put it another way, since 1963 what we have been familiar with has been so bad that today we prefer the bad that we are not yet familiar with. And we cannot even assert that Alfonsin is that bad.

Furthermore, Alfonsin has focused his election campaign on condemning the union-military pact, and this suggests that he has gone directly to the heart of Argentina's political problem, which is none other than the corporative system established by Peron in 1943 and maintained and even developed since then by the politically dominant groups in the top echelons of the Armed Forces. The depletion of this system's financial sources makes it that much more absurd and unviable today. This is the first time in many years that a politician of the first magnitude and with significant voter support has shown the country its true fascist face, and therefore it is also the first time that we Argentines are being given an opportunity to change it. The "Center" could have afforded such an opportunity. It might even have been more logical for the invitation to have come from there. But mired in its contradictions and antagonisms, the victim of obsolete electioneering

habits, the "Center" merely wasted time. If Alfonsin's major initiative becomes something more than just a campaign ploy (we are still not too sure of this) and if he perseveres in it, then sooner or later Argentina will again be on the path to democracy and its lost modernity. With Alfonsin's denunciation the body politic has in fact taken the first step in that direction. We repeat, however: It still remains to be seen whether this step is not the last.

There are two other positive landmarks in the road that Alfonsin has apparently undertaken, to wit:

1) Even though his party is immersed in populism and economic ambiguities, it is proposing to us prescriptions for political leadership and social peace that are obviously more civilized than those of its enormous Peronist offshoot. In this regard, the UCR [Radical Civic Union] still preserves some of the liberal roots that gave it life late last century. In spite of its flirtations with Marxism and its concessions to the evil antiliberal feelings of the masses, Mr Alfonsin reflects, as it were, the ways of those roots, as for example Arturo Illia and Ricardo Balbin reflected them in their day.

2) Regardless of whether Mr Alfonsin himself or his colleagues are of this mind or not (and there are not that many good reasons to deny that they are), in the event he is victorious, those ways will mean that the nation will break with the military party, Peronism in other words, and thus gradually move the Armed Forces away from administrative power, a marriage that has caused so much damage to Argentina and to the military itself.

Gray Areas

Given the lack of substantive data on Renovation and Change's ultimate intentions and given its lack of a platform, it would not be proper at this point to speak of conclusively black marks, but we will list the gray areas:

1) Alfonsin's decisive victory over his foes in the Balbin faction deprives his party of ideological and policy counterbalances, which could lead to the emergence of a new caudillo or to an arbitrary use of Radicalism and later on of the government or the opposition.

2) The formulation of single lists, which is already practically inevitable, will interfere and, in fact, is already interfering with the democratic evolution of the UCR and Argentine political awareness at a time of momentous decision-making.

3) Alfonsin's intention to start up a "movement" is a repeat of Peronism's old plan and contradicts the spirit of his campaign against the labor-military pact, which has been its most positive aspect. Alfonsin lately seems to have shelved the idea of a movement; at least he has

not been placing such emphasis on it. But his decisive triumph in the "internal struggle" and the single lists heighten the temptation to create a bandwagon.

4) A similar observation is in order about Alfonsin's longstanding attempt to absorb and "democratize" the Marxist Left (he has indeed been talking a great deal about this in recent days). History has taught us that it is never democracy that "democratizes" Marxism, but rather Marxism that "Marxistizes" democracy. It also tells us that the only way to prevent this is by a permanent confrontation of the two ideologies in a democratic setting, for which both ideological and functional differentiation is indispensable. This is the exact opposite of integration.

5) Mr Alfonsin's conceptual weakness regarding property could cause very serious gaps in his economic and social policies, no matter what they are. The Radical leader has already announced publicly that it is not the purpose of his "planning" ideas to have property pass to the State. Apparently, he "only" wants the State to take control of property. In the first place, we have to ask ourselves what good is property without control over it. And secondly, with what yardstick will Alfonsin gauge the "social" impact of each piece of property (including the means of production) if his statement merely refers to the State's "indicative" mission. But if we assume this, why is he stressing planning? Lastly, we have yet to learn what importance he attaches to the marketplace.

6) Although almost all the parties lack a platform (two or three with limited voter support are the exception), in the case of Alfonsin this shortcoming is in inverse proportion to his meteoric rise, to put it mildly. Moreover, the statements by some of his closest colleagues tally perfectly with those of Peronist leaders (it was not that long ago that we were unable to tell in La Plata who was more Peronist, Mr Storani or Mr Triaca). On this and on the previous point we can also see underlying contradictions in the Alfonsin philosophy. On the one hand, he attacks corporativism and, on the other, is willing to preserve, under the pretext of its "strategic" importance, the public sector on which corporativism is based. In a word, he does not accept the principle that political democracy demands economic democracy.

Definitions

Mr Wehbe has several measures under study to curb inflation and the budget deficit: a revision of wage policy under which only the pay of the lowest categories (between 1 and 10) would be boosted; a sizable cut in the value added tax, which would range from 30 to 40 percent, and a reduction in professional fee payments (current levels would be maintained only if not greater than a million pesos). The minister also reportedly ordered a rollback of the recent increases in insurance premiums, thorough which Mr Villaveiran planned to bring about a major salary increase in the sector under an ideal corporative pact among

the State, business and organized labor. As is to be expected, Wehbe, with President Bignone's and the junta's backing, will reject the "program" presented by the two CGT's [General Confederation of Labor], in whose drafting the Church had no part. At this juncture, however, no one is in a position to forecast what will happen with the current inflationary spiral in the near term, though hyperinflation is a good bet.

A party like Mr Alfonsin's, which reliable polls say will get between 38 and 42 percent of the vote in October, cannot continue to shirk its obligation to spell out a clear and consistent economic and social program in keeping with the "new political democracy" that he claims to advocate. Otherwise, his initial volley against fascism will become just a will-o'-the-wisp fanning the flames.

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POLLS REFLECT IDEOLOGICAL DIFFERENCES, SOCIAL REPRESENTATION

Ideological Differences

Buenos Aires MERCADO in Spanish 29 Jun 83 p 7

[Text] What is the difference between the supporters of Alfonsin, Alsogaray and Luder? Without running the risk of making too serious an error, we can state that the individuals who say that they support these men should have the same or nearly the same ideas as they do on how to do things in the country and on what policies to pursue.

If this were entirely true, we would need only to learn what these prominent figures think to find out what their partisans think. But it is not that simple. There are often huge differences between leaders and supporters that the former are not even aware of. This is especially serious in a political system that has historically preferred to gather information by means of "point men" rather than more scientific methods.

A modern democracy, however, cannot exist without public opinion. Nor would policy-making be democratic if it did not draw from public opinion. In this vein, therefore, it would not be inappropriate to find out what differentiates the supporters of Alfonsin, Alsogaray and Luder.

The data below suggest three very clear-cut conclusions: 1) Those who lean towards Dr Luder are less inclined to approve of certain capitalist principles for organizing society than the backers of Alsogaray, an engineer by profession; 2) Even though these differences are statistically significant, the base of acceptance of capitalist principles is quite broad for all of them (90 percent of Dr Luder's supporters do not disagree that private enterprise is the main source of a country's wealth); 3) Midway between the opposing views of Luder's and Alsogaray's backers come Dr Alfonsin's followers, who are neither that fond of nor that opposed to capitalism.

Two other conclusions can be drawn as corollaries to these three. The first is that an institutionalized political system in Argentina today could well be based on a relatively broad foundation of legitimate support for the capitalist system. The second is that in the area

of political battles, the perfectly legitimate intermediate position of the Radical masses will enable the party to play its role as the holder of the swing vote. In concluding these remarks, we cannot sidestep this key question: To what extent do the ideas of the various groups of supporters square with the ideologies of their leaders?

Ideological Disparities and Similarities

<u>Opinion</u>	<u>Supporters of Alsogaray</u>	<u>Supporters of Alfonsin</u>	<u>Supporters of Luder</u>
Do not disagree that the wealth of nations comes from private enterprise	93%	91	90
Do not regard the privatization of public utilities as inappropriate	81	78	73
The profits of farm producers are legitimate	68	66	63
It would not be a bad idea to privatize the YPF [Government Oil Deposits]	57	48	46

Nationwide sample, urban and rural: 1,200 individuals

Source: Decisions and Development, Division of Political Analysis and Public Opinion

Social Representation

Buenos Aires MERCADO in Spanish 7 Jul 83 p 7

[Text] A party's votes can come from one or several segments of society whose members feel that that party represents them. The legitimacy of a party's policy proposals for society as a whole depends largely on the plurality of its social bases.

In societies in which parties with a strong single-class base predominate, politics tends to be ideological and the stratifications more rigid. The political system's stability thus demands that the institutions that represent different interests and cushion the impact of social conflicts function very efficiently.

In Argentina, Peronism has been a predominantly one-class party in the industrial cities and a multiclass party in nonindustrial areas. Its ability to make inroads among the middle and upper strata has varied over time, though in general it has never been too great.

Justicialismo's Social Bases

<u>Social Class</u>	<u>Percentage of Total Population</u>	<u>Avowed Peronists</u>	<u>Potential Peronists</u>	<u>Rest</u>	<u>Total</u>
Upper	3	5	26	69	100
Upper middle	34	14	23	63	100
Lower middle	40	14	22	64	100
Lower	19	37	25	38	100
Very low	4	40	16	44	100
	100				

The political preferences of the present-day electorate reveal that the single-class trend is growing stronger. Peronism has not managed to rally significant support in the upper strata. It has not succeeded in thoroughly representing the views of those members of society who occupy key positions, have influence or enjoy high purchasing power.

These assertions cannot, of course, be made categorically. We could assert, for example, that Peronism's acceptance among the middle classes is not inconsequential. A great deal depends on the people who are still undecided but who have not ruled out a vote for the Peronists. We can also see that among the lower strata there are more avowed Peronist supporters and, in turn, not much indecision about the party.

Though these trends are not conclusive, they are clear-cut. Thus, in order to have a stable post-election political climate, the various representative forces will have to make a major effort to reconcile different interests and viewpoints. Any attempt by one group to dominate the others by forming an absolute majority would entail the risk of rapidly eroding the pillars of institutions that will inevitably be fragile.

Source: Decisions and Development, Division of Political Analysis and Public Opinion

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ANDEAN LABOR COUNCIL SCORES IMF RESTRICTIONS

Cochabamba LOS TIEMPOS in Spanish 14 Jul 83 p 6

[Text] La Paz, 13 July--The Andean Labor Council, whose first meeting closed this past Wednesday in the city of La Paz, decided to call for a work stoppage in all Andean countries to protest the imperialist policies imposed by the International Monetary Fund.

The protest work stoppage is also a show of support for the efforts that the governments of Bolivia, Peru, Ecuador, Colombia and Venezuela have undertaken so far to reschedule their foreign debts, and it will last for 1 hour at a date and time stipulated by the new Board of Directors of the regional labor body.

In the judgment of the Andean delegates, the economic policies imposed by the International Monetary Fund are strangling the economies of all Latin American countries, the members of the Andean Subregional Pact in particular. The Peruvian delegation said that the IMF was the cause of our countries' economic, political and social crises because the policies it demands lead to unemployment, the collapse of industries and low prices for our raw materials.

In the judgment of the Colombian representative, Luis Hernan Sabogal, the only way to overcome the current economic crisis besetting the Andean countries is to jointly negotiate a suitable rescheduling of our loans from international banks.

Chile

The last plenary meeting of the Andean Labor Council also passed a resolution in support of the workers and people of Chile, who at the moment are struggling to regain their individual, union and democratic rights in spite of the "crude repression of dictator Augusto Pinochet."

"We Andean workers militantly support the struggle undertaken so far by our Chilean comrades in their bid to wrest from the dictatorship their right to freedom and life," proclaimed the Bolivian delegate, Victor Lima.

Argentina

The Andean union meeting also unanimously passed a resolution stressing the need to establish democracy in Argentina with the full participation of the workers. The negotiations to reunify the Argentine CGT [General Confederation of Labor] also received the full support of the delegates attending the subregional gathering.

Central America

The first meeting of the Andean Labor Council unanimously passed another resolution condemning imperialist intervention in Central America and arguing that peoples have an inalienable right to choose the government or political system that is best suited to each circumstance.

In addition to opposing American imperialism's armed intervention, the labor delegates of Venezuela, Colombia, Ecuador, Peru and Bolivia also voiced their resolute support for the revolutionary processes going on in Nicaragua, El Salvador, Honduras, Guatemala and other Central American countries.

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FONPLATA AID TO AGRICULTURAL SECTOR HAILED

La Paz ULTIMA HORA in Spanish 14 Jul 83 p 3

[Article by Gustavo Medeiros Querejazu: "The Financial Fund of the River Plate Basin"]

[Text] At its meeting in Puerto Stroessner early this month the Financial Fund of the River Plate Basin (FONPLATA) granted Bolivia a \$9 million loan for its Emergency Agrarian Plan, especially for seeds and fertilizers, which are indispensable in the drought-affected areas. Aside from the importance of this loan in itself, it is both very significant and auspicious that FONPLATA has directed its investments into agriculture. This indicates that some people have finally realized that the development of agriculture should be a top priority for Bolivia and the starting point of a new and realistic plan to revive our economy.

The Financial Fund was created under the 12 June 1974 agreement signed in Buenos Aires by Argentina, Bolivia, Brazil, Paraguay and Uruguay, with a face capital of \$100 million, for the purpose of promoting the harmonious development and physical integration of the Plate Basin and its areas of influence. In addition to the funds contributed by the countries in the region, FONPLATA can arrange for and negotiate capital from other sources "with the joint-and-several liability of the member states." The agreement makes a special stipulation that loans will be granted in accordance with an equitable geographic distribution, with preference given to Bolivia, Paraguay and Uruguay.

According to available data, FONPLATA has so far invested somewhat more than \$42 million, of which Bolivia has received around \$17 million in the form of loans. Transportation programs have received the most attention, among them: the feasibility studies for the Zudanez-Vallegrande and Motacucito-Mutun-Puerto Busch railways, the paving of the Potosi-Tarapaya and Sucre-Yotala roads and the final design of the Padcaya-Bermejo road.

In Argentina and Paraguay the emphasis has been on farm programs: the comprehensive development of the Formosa region in Argentina, and the colonization and livestock development program in the northwest Chaco in Paraguay. Hence, it is a promising sign that Bolivia too

is beginning to direct its attention towards farm programs, even if only because of the emergency created by the weather recently.

FONPLATA's headquarters is in the city of Sucre. Although there was some discussion in this regard as well as more than one attempt to change the site, the choice of Sucre was not just symbolic; it was selected for practical reasons and to strike a regional balance. The fact is that the City of the Four Names is located at the "divortium aquarum" of the two great hydrographic systems. Thus, the two hills surrounding the capital are the sources of the waters that run, on the one hand, towards the Grande River and the Amazon and, on the other, towards the Pilcomayo and the Plate. Hence, it is a key spot at the sources of the Plate Basin and, at the same time, a natural link with the Amazon plains. Moreover, in the southern part of the Republic of Bolivia, Sucre is a point of equilibrium between links with Potosi and Tarija and economic penetration into the oil-bearing areas and towards the areas bordering on Argentina and Paraguay.

Sucre is the hub of two projects that are important not only nationally but for the entire Plate Basin as well: the regulation and harnessing of the Pilcomayo River under the ICLA project and the diagonal highway that bears the name of writer and geographer Jaime Mendoza. The development of oil and gas in Chuquisaca and the discovery of new structures, such as the one at Vuelta Grande, will assure the Chuquisaca Development Corporation gradually increasing capital, through royalties, for vast agricultural, road and cultural programs, including infrastructure for and the modernization of San Francisco Xavier University.

FONPLATA's activities thus add to the growing importance of the city of Sucre, and there is no question that the fund's financial support will lend not only new vigor but also a new and more effective orientation to the development of southern Bolivia as part of the prospects of Plate Basin integration.

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PAPER NOTES ULTRALEFT IMPLICATIONS OF LABOR COUNCIL

La Paz EL DIARIO in Spanish 15 Jul 83 p 2

[Editorial: "The Andean Labor Council"]

[Text] Delegations from the five member countries of the Cartagena Agreement (Colombia, Ecuador, Peru, Venezuela and Bolivia) attended the meeting of the Andean Labor Council (COLA) in Bolivia. The purpose of this first meeting was to structure the new organization, which will gradually take shape over time. At its baptism here in La Paz, however, it has already given an indication of what it will be like. The resolutions passed by COLA are strikingly political and show clear-cut ultraleftist influence. For example, a furious attack on the Chilean regime; support for the struggle in El Salvador to establish a Marxist government, though the word Marxist is not mentioned, of course; solidarity with Sandinist Nicaragua; support for Guatemala in its struggle and a harsh denunciation of the United States of America for its policies, particularly in Central America.

There were also two resolutions devoted to this country. One had to do with the "joint management" model in the Mining Corporation of Bolivia (COMIBOL) and of course it supported the stand of the Bolivian Labor Federation (COB). The other concerned Bolivia's desire for an outlet to the sea. The meeting was also concerned, to some degree, with the process of Andean integration. All delegations called for shoring up the weak integration movement, passing a resolution supporting the standards established in Decision 24, which concerns the treatment of foreign capital, because it curbs American "imperialism."

After the Andean Business Council, the COLA meeting is a requiem for the Economic and Social Advisory Committee (CAES), which was a joint worker-employer vehicle for advising the Andean process. CAES had not been active enough, and the Cartagena Agreement Board was studying a set of regulations to make it more effective. We can see, however, that the pressure for separate action has won out. It would seem that there is some sort of political interest in having it this way. It is too early to say so emphatically, although our initial glimpse of COLA suggests as much.

The decision to appoint the executive secretary of the COB as chairman of the COLA Board of Directors is food for thought, because it gives the Far Left a more international setting in which to pursue its ends. As always, they have sought to camouflage themselves behind an individual. This is their traditional political strategy.

Two Bolivian ministers, the labor minister and the acting integration minister, displayed their rivalry at the COLA opening, we should add. The former's speech consisted of a meaningless stream of pedantries interspersed with politics and remarks on integration. On the one hand, he attacked imperialism, but on the other he stated that Decision 24 is an obstacle to investment, even though it is part of our legislation; in short, his words were in contrast to his Marxist sentiments. Lastly, the labor and labor development minister inaugurated the meeting. The acting integration minister also opened the meeting (two ministers showing different and inconsistent faces of the same cabinet), but his words had more substance, showing that his advisers were familiar with the issues, in contrast to the labor minister's advisers.

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CSO: 3348/566

SHARP DROP IN MINING SECTOR ATTRIBUTED TO SOCIAL INSTABILITY

Cochabamba LOS TIEMPOS in Spanish 14 Jul 83 p 4

[Article by Samuel Mendoza]

[Text] The Ministry of Mining and Metallurgy now has statistics on mining production during the first quarter of 1983. Compared with figures for the previous year, there has been a pronounced drop which seriously endangers the general economy of the country. It is a well-known fact that the country is going through a crisis and that the economic crisis is the one that has hit Bolivians the hardest. Nevertheless, when we learned that mining production dropped some 20 percent during the first quarter, we could only lament the fact that a great effort is not being made to overcome the obstacles in the search for solutions to national problems.

According to the most recent data, the value of general mining production, including national mines, medium-size and small mines and cooperatives, dropped \$24,653,008 in 1983 compared with 1982. The drop in tin production was particularly significant: \$18,747,484.

According to the Ministry of Mining, the drop in production in the medium- and small mining companies was due to two major factors: the absence of any policy of incentives, on the one hand, and the proliferation of social conflicts, on the other. With respect to government mines, the drop was due to the lack of working materials and prolonged social conflicts.

Medium-size mining companies have recently revealed that there are many more obstacles that have caused the drop in mining production and that would prevent any recovery in the immediate future.

They point to the 128-percent increase in electric power only for private mining companies, for the purpose of subsidizing two service enterprises; increased red tape in procedures connected with the exportation of products and the importation of consumable expenditures; the return to the policy of a fixed and immovable exchange rate, meaning that producers are paid with a dollar worth 200 pesos, while they have to face costs at an exchange rate of over 400 pesos. Medium-size mining companies note that the "incredible drop in the production of minerals by COMIBOL [Mining Corporation of Bolivia] is partially explained by the unrealistic rate of exchange, which leads to more theft of minerals, with the new and attractive incentive of smuggling

to neighboring countries. Among the obstacles, they add, is the virtual halt in credit granted by the Inter-American Development Bank (IBD) to private miners, which credit cannot be extended because of bureaucratic red tape and the absence of any decisions by government authorities; the imposition, by decree, of a seniority bonus which, in addition to being inorganic and unproductive, exceeds and contradicts negotiating bodies. Finally, the medium-size mining companies view as negative the "proposed mining policy which, for purely political ends, seeks to deactivate the most productive sector, the private sector, without even solving the problem of national mines."

However, as confirmed by the Ministry of Mining, one of the factors that has had the greatest effect on the drop in production in the government and private sectors is social instability. Since the establishment of the constitutional government, COMIBOL miners have repeatedly halted work because of prolonged strikes, causing enormous losses for the national company.

In countries with a civic conscience, times of crisis are shared by those in government and the governed through greater efforts, harder work, higher production. Unfortunately, the opposite is true in our country. The greater the crisis is, the greater the political and social instability, as if there were an attempt to lead Bolivia to total collapse. Confronted with the data on the alarming drop in mining production, which unfortunately continues to be the basis of the national economy, one has the reaction of labor. Instead of collecting money to be handed over to the government for the "defense and implementation of democracy," it would be more effective to work harder and produce more in order to reactivate national development.

11,464

CS0: 3348/565

MINING INDUSTRY FURTHER THREATENED BY LACK OF SPARE PARTS

La Paz PRESENCIA in Spanish 15 Jul 83 p 9

[Text] Oruro, 14 Jul--The lack of spare parts for machinery and equipment used in mining could affect production figures of mining enterprises under COMIBOL [Mining Corporation of Bolivia] even more, as has happened at the Vinto foundry.

The secretary general of the Oruro COMIBOL union, Jose Cadima, told newsmen that the lack of materials to make spare parts, especially for drilling equipment, could cause difficulties and even paralyze mining operations in national companies.

Spare parts are made at COMIBOL workshops in this city. Their production goes to nearly all COMIBOL mines under that subministry in order to maintain the rate of activity. Cadima said that for two weeks, the shops have not been producing the required spare parts because of the lack of raw materials.

He added that the situation was reported to members of the board of directors of the Mining Corporation so such materials would be shipped promptly.

He repeated that if the situation should continue, it would have a negative effect on production programs of the mining enterprises.

Medicines

Cadima said that COMIBOL officials will also be asked to allocate special funds for the acquisition of medicines for COMIBOL health centers.

The request was based on the extreme scarcity of such products at medical centers of the nationalized mines. Cadima cited the case of San Jose Hospital, which has to go to private pharmacies to handle emergency cases.

Concerning food, he said that supplies are returning to normal at company stores, but that there are still shortages of some items in the family food basket.

11,464
CSO: 3348/565

INADEQUATE MEASURES FAIL TO COPE WITH SERIOUS FOOD SHORTAGES

Food Shortages Foreseen

La Paz HOY in Spanish 17 Jun 83 p 2

[Editorial: "Food Production and Supply"]

[Text] In addition to the floods, the droughts that have parched the nation, according to the Ministry of Peasant Affairs, will endanger slightly more than 250,000 producers, chiefly in the traditionally agricultural departments. The figure appears low if we take into account that it represents approximately 10 percent of the entire peasant population. However, it affects those who must supply the consumer markets in appreciable volumes and quantities. The majority of the peasants are arriving at departmental and provincial capitals with decreased or scanty results of their meager harvests.

If we put the large-scale producers and these small farmers together, we will have a relatively clear idea of the magnitude of the disaster and its immediate repercussions among the populations of our principal cities. Not only will the future supply be deficient in quantity and quality of the food products, but very few will be able to pay the prices.

It is not our intention to alarm, but rather to prepare and warn the authorities in charge of agricultural policy of the imperative need to adopt appropriate measures to prevent a shortage which might have an unfavorable impact on the already very precarious economy of the people.

If the authorities persist in their patient attitude, we will enter, virtually, upon a so-called war economy. That is, we will find ourselves in a situation just as distressing as when a country is at war, in which some items for the family market basket can only be procured on the black market, and only those who are economically well off are fairly well fed. The rest, the great majority, will have to be satisfied with a starvation economy--in other words, go without, and of course make their families go without, many of the products which are every-day fare on the tables of some of their neighbors.

It has been said that no less than 300 million [sic] will be required to import those products that have been lost due to floods and drought. The figure is very high when we consider that it will serve to alleviate only in part the

difficult situation that is approaching. But not all of it, in our opinion, should go to import the necessary products, but rather it should provide seed for the small and large producers so that they may recover gradually and resolve the needs of the consumer population.

The emergency plan seeks that end, but unfortunately to date it has not been implemented as was planned. There are broad error which, if not corrected in a timely manner, will affect not only the current agricultural year but many more to come, with the total dislocation of our food production.

Letter Demands Credit for Small Farmers

La Paz PRESENCIA in Spanish 23 Jun 83 p 7

[Text] Santa Cruz, 22 Jun.--"Bolivia will have a serious shortage of corn this year. To meet the demand, the government is turning to imports; at the same time, thousands of peasant families are prevented from filling this need, simply because the country's agricultural policy is distorted. Only the privileged have a right to credit."

These ideas were expressed in an open letter to government officials by rural officials, priests, technicians and professionals in the provinces of Obispo Santistevan, Sara, Velasco, Nuflo de Chavez, Angel Sandoval and Chiquitos.

The note analyzes the consequences of reduced production by the small farmer, and concludes that it was not precisely due to the economic crisis, but because of an irrational tendency to make "the strong stronger and the privileged more privileged."

It says that there are in Santa Cruz more than 25,000 farmers, but when anyone speaks of the producers and their serious problems, "it is only on behalf of no more than 5,000 individuals who might be called privileged."

Access to Credit Requested

The rural potential in this department, as well as the conditions, show that it is possible to guarantee a supply of corn and other products within a few months, but only if the peasant producer is given access to credit currently reserved for members of the Eastern Chamber of Agriculture and Livestock.

It is pointed out that the peasant producers, "with half the credit per hectare that is normally given," could close the shortage gap and give the country a respite from the specter of food shortages within a short time.

They suggest that, since the emergency plan failed, the available funds be earmarked for the small farmers, "but not centralized in Santa Cruz and the surrounding area;" rather they should be sent to the provinces, where the real farmers are, and it is suggested that provincial committees be organized and credit extended to each farmer according to his potential. There are rural development and other cooperatives in provincial villages which can carry out this task as credit intermediaries.

Officials in the capital, the open letter states, as well as those in the government headquarters, are ignorant of the tremendous obstacles blocking the peasant's access to credit. When he does not even know how to read, he is required to follow bureaucratic procedures which frighten him by their very onerousness and where he is humiliated in office after office and is only ridiculed when he expresses an interest in cultivating a few hectares.

The letter recalls that a real agricultural policy is frequently demanded. It notes that [the writers] are aware of the mass production of the principal products, which must be mechanized and take advantage of advanced production technologies. "However, we do not agree that 100 percent of the credit should be reserved only for the 'privileged,' for those who have thousands of contacts and friends in high places, for those who can speak in terms of thousands of dollars and alarm others by the terms offered.

"In a dramatic situation such as the country is currently facing, it is necessary to carry the distribution of wealth to the great majorities; we must rescue the small farmers, those who want to plant 1 or 2 hectares. It is precisely these people who must be granted easy credit, and the results will be, in the short term, a true green revolution," the letter states.

Agency Criticized for Emergency Plan Failure

La Paz EL DIARIO IN Spanish 22 Jun 83 p 2

[Editorial: "Failure of Winter Plantings"]

[Text] The Directorate for the Agricultural Emergency Plan, created in response to the natural phenomena which recently devastated the country, has made statements to the press indicating that the winter plantings planned for that purpose have failed because of the impossibility of providing the peasants with the necessary seed, fertilizers and pesticides in time. Although by so doing the agency has demonstrated an honesty rarely seen here, in the long run it does not remedy anything, because although the agency was obviously created only 3 weeks ago, it is not difficult to suppose that it could have been foreseen at that time that something of the sort would happen.

One can imagine that the failure of the winter plantings, which are considered vital under the Emergency Agricultural Plan, is due specifically to the excessive bureaucracy that is overwhelming our country and rendering sterile even the most laudable proposals. We suppose that there was some delay in drawing up the necessary documents and that they later went astray among the state agencies, which are always widely scattered and poorly organized. It is even possible--as we have been told--that the first document to emerge from the Agricultural Emergency Plan offices was one concerning the purchase of a carpet. It is impossible to believe, but if it is true, it is also intolerable.

The people, in their various sectors, are suffering increasingly from the effects of the economic crisis and those of natural disasters, in the form of drought in some areas and heavy rains in others. The most impoverished sector,

consisting of farmers and wage earners, is beginning to suffer from hunger, and in thousands of cases this means leaving their familiar surroundings to join the ever-growing army of beggars in the cities.

The decision, however, should not be to throw out the Agricultural Emergency Plan which, with the failure of the winter crops, is now limited to the burdensome importation of food items which are scarce in our own markets. The visit to Argentina of an assistance-seeking commission for the purpose of arranging the purchase of some consumer goods and the donation of others, still puts us in a most serious economic situation, further aggravated by the fact that it is turning us into international beggars.

Who and where are the officials responsible for the failure of the winter crops? It would be a good idea to investigate them and, without regard to whether they were hired by the previous or the present administration--including the showing of a "party identification card," --they should be fired immediately, whoever they may be. That is what is being demanded by the hungry people, in defense of whom so much is said.

Shortages, Black Marketeers Cause Concern

La Paz HOY in Spanish 21 Jun 83 p 5

[Text] Cochabamba, 20 Jun.--The serious shortage of basic necessities being felt in this area is causing speculation about dishonest businessmen and concern among both authorities and workers, the latter protesting the current grave crisis. The shortage of cooking oil, sugar, rice, fresh meat, eggs and other items common to the family market basket is a matter of concern to Prefect Jorge Otasevic Toledo, Mayor Hugo Montero Mur and other officials, who are asking the help of producers and manufacturers to overcome the problems affecting the markets.

These officials believe that new measures will be announced this week to permit the sale of any of the aforementioned products that are in storage or being held back by dishonest merchants.

The mayor stated categorically that if this is not done this week, the government's problems will be even greater; "we believe that measures will be announced to control officially the prices of those items," he said.

Meanwhile the prefect expressed his concern in like manner and is awaiting the promulgation of such measures as announced here by Industry and Commerce Minister Marcelo Barron.

The mayor denounced the creation of a "black market in eggs," where poultry producers are selling their products at inflated, prohibitive prices of between 30 and 40 Bolivian pesos per egg.

In view of this serious problem, neighboring city councils have announced that they are adopting specific measures to deal with these abuses.

Rice Not Getting to Mills

La Paz PRESENCIA in Spanish 21 Jun 83 p 6

[Text] Santa Cruz, 20 Jun.--Almost half of the rice harvest in the provinces in the northern region of Santa Cruz is sitting useless in the areas where it was grown due to lack of transportation to the mills, a committee has reported after a brief tour of the area.

The rice producers, peasants for the most part, are holding the rice at home, waiting for conditions to improve so that the chief highways will be usable. The supply section of the municipal government indicated that there are 31,070 quintals of rice ready for sale at the mills. This means that there will be no grain shortage, said Manuel Ibanez, chief of that section.

Authorities maintain that the rice shortage being felt both here and in other areas "is artificial." The **merchants** have managed to bring out a quantity sufficient to supply the market until at least the end of June, they indicated. The rice growers are demanding insistently that roads be repaired so that they can take their products to the mills. There are communities which can only be reached on horseback, and several days are required to make a 50-kilometer trip. Although the losses suffered by the producers due to floods and heavy runoff are substantial, the rice growers believe there is enough grain to supply the national consumer market, but that it will be irretrievably lost if the grain is not milled within the next few weeks.

Shortage of Vital Foodstuffs in Tarija

La Paz HOY in Spanish 18 June 83 p 4

[Text] Tarija, 16 Jun.--There is an alarming shortage of some items of prime necessity here, among other things, meat and bread.

There was no beef for consumers here today, since this product has run out in surrounding areas which receive it from the Chaco, where the owners of beef cattle prefer to deal with buyers from Santa Cruz, who offer better prices.

In addition the suppliers claim that the local taxes they must pay are so high that the going retail prices at this time make it impossible for them to keep a normal supply of this vital product.

Bread, a popular item particularly in homes which have scanty resources, has also disappeared from retail stores, in spite of the fact that the Ministry of Industry and Trade, through its representative here, has stated that delivery of subsidized wheat to all bakeries is normal.

From the foregoing it can be concluded that some unscrupulous persons are hoarding the wheat that is delivered to them to make bread, since there is no existing control over this product.

OVER 44,000 UNEMPLOYED DUE TO ECONOMIC CRISIS

San Jose LA NACION in Spanish 13 Jun 83 p 4A

[Text] A Ministry of Planning and Economic Policy (MIDEPLAN) study has revealed that over 44,000 persons joined the ranks of the unemployed between 1980 and 1982 due to the economic crisis in our country.

The study "Costa Rica: Employment in the Current Crisis, 1980-1982" explained the increase saying there were fewer than 35,000 unemployed in March 1980 and the number rose to 79,000 in March 1982.

This problem was more pronounced between November 1980 and July 1981 because 25,000 persons lost their jobs over that period. According to the study, this means that the number of unemployed rose by an average of 3,000 persons per month.

This situation raised the unemployment rate from 4.6 percent in March 1980 to 9.6 percent in March 1982.

According to the study, this situation is comparable only with the one that arose in Costa Rica in 1964 as a result of the economic problems caused by the Irazu volcano eruptions.

Underemployment (persons who, for example, earn a wage that is less than normal) has been another of the problems arising from the critical national economic situation. The study said that about 170,000 workers were in that category between July 1979 and July 1982.

Furthermore, according to the MIDEPLAN study, it was estimated that no fewer than 25,000 persons were in the category called "hidden unemployment among the inactive population" (for example, workers and craftsmen who had jobs and do not have them now).

According to the study, these data reveal a drastic worsening of unemployment and, in general, of the problem of underutilization of the country's labor force.

Imbalances

MIDEPLAN also concluded that almost all sectors of economic activity, except the agricultural sector, were affected by the imbalances between 1980 and 1982 in the growth of the economically active population (4.4 percent) and the creation of jobs (1.7 percent).

It reported that the agricultural sector contributed the most to raise the levels of employment during the period analyzed.

It was believed from the information obtained that the rise in agricultural employment could be due more to a tendency of some sectors of the population toward the so-called "subsistence economies" than to a rise in employment demand in those agricultural-livestock activities of medium and high productivity.

It also was determined that seasonal agricultural employment (for example, the coffee harvest) showed an exceptional growth.

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CS0: 3248/1021

THIS YEAR'S SUGAR HARVEST BIGGEST EVER IN COUNTRY

San Jose LA NACION in Spanish 18 Jun 83 p 2A

[Text] This year's sugar harvest was the biggest ever in history, reaching 196,400 metric tons compared to last year's 181,500 tons, Adolfo Shadid Chaina, executive director of the Sugarcane Agricultural Industrial League (LAICA), has reported.

The production that comes closest to this past harvest, which is a true record, said shadid, was the 194,700 tons produced in the 1976-77 period.

The progress attained, said the LAICA director, can be attributed to the real confidence that the producer has in the government, to the favorable climate conditions that resulted in a larger concentration of sucrose and to the research programs promoted by the Sugarcane Research and Extension Directorate (DIECA), an agency created by LAICA.

Shadid reported that with the increased sugar production, commitments for domestic consumption and for the preferential U.S. market can be broadly met. For its work, he said, LAICA always had the cooperation of U.S. Ambassador Francis McNeill and of his agricultural adviser, Eng Franklin D. Lee.

He explained that the increased production also will permit the export of 16,000 tons more than last year. A total of 42,000 tons were exported last year, but 12,000 had to be imported to satisfy domestic market needs, leaving a net export figure for that year of 30,000 tons sold for \$11 million.

This year, said Shadid, net exports will amount to 58,000 tons valued at \$26 million, and there is no need to import.

This figure, he added, includes the excess quota given to Costa Rica from the partial cancellation of Nicaragua's sugar quota by the United States.

The LAICA representative said that 138,000 tons are needed to satisfy national consumption needs, and they will be supplied without any problem.

Increase

Shadid reported that efforts are being made through DIECA to increase productivity per area of land so as to raise sugarcane production even more, thereby resulting in an even bigger harvest.

This, he emphasized, will help to maintain adequate reserves for domestic consumption and to cover any readjustment that may occur in the preferential U.S. market.

He said sugar prices in that market are promising, and that the price for a metric ton in bulk delivered at the Gulf of Nicoya could reach \$480 by September.

"There is no doubt," asserted Shadid, "that this increased production has resulted from the understanding that the Executive Branch has shown and to the resolute attitude--particularly of the president of the republic. Luis Alberto Monge Alvarez--of encouraging and giving incentives to those who work the land."

He commented that, above all, the increased production depended on greater productivity derived from improved fertilization practices, to which is added the intensive use of manpower which has been greater than in previous years.

In this regard, Shadid said this year there was no need to resort to Nicaraguan workers, as opposed to previous years when workers were brought from that neighboring country and there was greater use of machinery, which did not happen this year.

All this, stressed Shadid, follows objectives defined within LAICA policies.

For this record harvest, 45 percent of the sugar was produced in Guanacaste, 33 percent in the central Pacific and 22 percent in the Atlantic, including Turrialba and San Carlos.

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MEETING DISCUSSES INCREASE IN HOUSING DEFICIT

San Jose LA REPUBLICA in Spanish 8 Jun 83 p 3

[Text] The housing deficit in this country has increased to 120,000 units that could house 600,000 persons, it was disclosed yesterday at a special meeting on this problem. Armando Arauz, 2d vice president of the republic; Fernando Berrocal, minister of the presidency; Eng Clara Zomer, executive president of INVU [National Institute of Housing and City Planning]; Dr German Volio, executive president of IMAS [Mixed Institute for Social Aid]; Eng Claudio A. Volio, minister of planning; Marco A. Lopez Jr, executive director of the health sector; and representatives of all the sectors involved in housing, attended the meeting.

Minister Berrocal warned that the thinking of institutions involved in housing must be changed because the problem is quite serious.

Lopez disclosed that state institutions provide housing loans of up to 31 percent [presumably interest rate]. He said the banking system does not give opportunities to the lower class, adding that the savings and loan system concentrates on the middle class and the social security fund gives preference to its own employees.

He also revealed that a meter of construction currently costs 6,500 colons and that a person must earn a minimum wage of 12,000 colons to have the so-called low-cost housing.

In the future, in the government sector, about 73 percent of the housing will be built by INVU, 20 percent by IMAS and 7 percent by IDA [Agrarian Development Institute].

Eng Claudio A. Volio spoke in favor of the peasant who needs land and said that IMAS and IDA should get involved in these constructions.

He announced that Canada has donated \$3 million, in the way of fertilizers, for housing construction.

He reiterated that if a man who works the land is given land, it is necessary that he be given facilities for his house, otherwise he goes to the city to aggravate problems even more.

Eng Clara Zomer, executive president of INVU, attacked Carazo's government, saying that "it distributed 3,000 inexistent lots and only built 900 housing units over the past year."

She explained INVU's limitations, particularly the legal ones, and the bureaucratic transactions.

She admitted that "INVU has had scant tangible achievements because order had to be established, but a minimum of 4,000 housing units and perhaps up to 6,000 will be built in 1983. A total of 1,600 units already have been delivered in [the first] 4 months of the year."

She went on to say that it is estimated that INVU will build a maximum of 20,000 housing units over the [first] 3 years of this administration. She explained that banking limitations restrict housing expansion. Dr German Volio spoke bluntly: "A housing deficit of 120,000 units; a country with 50 percent at the poverty level; a food plan which already covers 40,000 families (240,000 human beings). We have to do something, each Costa Rican has to adopt another Costa Rican."

With a look of concern and in a firm voice, the 2d vice president of the republic, Armando Arauz, pointed out eight very delicate points in national life: (1) education, (2) health, (3) housing, (4) food, (5) social security, (6) social welfare, (7) work, and (8) land. He made an extensive explanation of "how we found the country in ruins more than a year ago."

He referred to the struggle for economic stability and to the current aspect of social compensation.

He mentioned the mobilization of private enterprise to solve the country's housing problem and that there has been success in pooling resources so that INVU, mutual benefit societies and IMAS can tackle this problem.

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CSO: 3248/1021

BRIEFS

WAGE INCREASE INDEX--In keeping with the slowdown of inflation, it has been noted that the general wage index rose only 17.8 percent over the first few months of this year. In 1982, minimum wages rose 95.9 percent, the highest since calculation of this indicator began in 1966. Economic sources have stressed that consumer price index increases led the government to raise minimum wages more frequently so as to partially increase purchasing power. Lastly, it was emphasized that the high increase of professionals in January 1983 is due to higher salaries granted to resident doctors, anesthesiologists and professional secretary graduates. [San Jose LA REPUBLICA in Spanish 26 June 83 p 3] 9925

CSO: 3248/1021

U.S. POLICY DECISIONS IN CENTRAL AMERICA QUESTIONED

Santo Domingo LISTIN DIARIO in Spanish 22 Jun 83 p 6

[Editorial: North American Perceptions]

[Text] The U.S. Government may be earning the rejection of international public opinion, and especially of Latin America by its attitude toward the Nicaraguan regime and the situation in Salvadoran.

In the United States itself, there is strong opposiiton in Congress and in public opinion toward the government's actions toward the Central American crisis.

There is also the underlying, and not very explicit, opinion that Central America is not worth such a show of force, which seems both sordid and ridiculous because of its apparatus of secrecy and its brazeness, and because of enemies' pettiness.

The opinion of the U.S. allies in this situation is one of great disgust.

But there remains one fact that should be taken into account.

The fact that the U.S. Government defies domestic and international public opinion; the fact that it tries to apply its policy in spite of great opposition from Congress shows that the U.S. Government perceives the situation as very threatening to national interests: the establishment of a hostile base in Nicaragua, that is Sovietized in search of political, military, and ideological hegemony in Central America.

This perception may be false, exaggerated, and distorted but it is the view that they have of the problem, even those in the United States who are opposed to their government's reaction to the situation.

Arthus Schlesinger, democratic intellectual, strongly opposed to President Reagan, has recently written that it would be better for the United States to abandon Central America to communism because the political and military cost and prestige would be less than attempting to rescue it militarily.

Therefore, the other Latin American countries beginning with Mexico and Venezuela would see the situation in a different light, as a threat to the other Latin American governments.

Latin American countries for some time have thought that they should make their political and economic decisions without U.S. presence and influence.

The United States has also been thinking the same thing, but in the opposite sense: they should make their decisions on Latin American policy outside the Pan-American context.

There is then a strange agreement. An agreement to be apart and even opposed.

The Latin American countries now prefer to be coupled with or hand-in-hand with the [Group of] 77 who are now about 100 for their rhetorical confrontations with the industrial world.

The United States prefers to negotiate with the Soviet Union through many channels even though they say they are not negotiating.

The United States is the valid and natural interlocutor of Latin America. Latin America is it for the United States.

And they are for many reasons. But there is one that is of vital urgency now more than ever; reciprocal guarantees.

The United States and Latin America should be interlocutors, in searching for realistic solutions to a problem that can leave everyone severely wounded.

CSO: 3248/1149

VENEZUELA FUNDS MADRIGAL, RIO BLANCO PROJECTS

Santo Domingo LISTIN DIARIO in Spanish 15 Jul 83 pp 1, 12

[By Jose Romero]

[Text] A Venezuelan Investment Fund [FIV] mission that is in the country ratified to the Dominican Government financing for the Madrigal dam and Rio Blanco.

The financing for Madrigal is \$36 million and \$49 million for Rio Blanco.

The mission also went ahead with studies for new future projects.

The delegation included doctors Eduardo Texier T. and Eduardo Lopez. They have held meetings with CAASD [Santo Domingo Aqueduct and Sewage Corporation] and CDE [Economic Development Council].

In the talks held, the Venezuelan officials indicated the Venezuelan willingness to be more flexible in disbursements.

The possibility of Venezuela replacing equipment has also been discussed.

The visit was used by technical officials to raise the possibility of new credits for preinvestment programs of the Technical Secretariat of the presidency.

In principle, the possibility was raised that the Madrigal resources may be used as a cross-entry in accordance with the amount contributed by the IDB [Inter-American Development Bank] for this project.

The work of the mission is important because it has confirmed that there will not be any problems for the country with the FIV regarding the projects already pledged.

IDB's financing for Madrigal is the highest amount approved for a single project in the country.

This project proposes to enlarge and improve the potable water supply system to the capital city, which has a demographic growth of more than 6 percent annually and suffers from a serious water shortage.

The first of the two parts that make up the Madrigal project will focus on the 1.4 million people who live in the capital and suburbs. Once completed, the metropolitan area will receive a flow of 10,000 meters per second which will meet the projected demand until 1998.

CSO: 3248/1149

CP OFFICIAL WRITES ON ARMED STRUGGLE, U.S. POLICY

Moscow PARTIYNAYA ZHIZN' in Russian No 10, May 83 pp 75-78

[Article by Mario Aguinada, member of the Political Commission of the CP of El Salvador, member of the United Revolutionary Leadership of the Farabundo Marti National Liberation Front: "In the Struggle Against the Reaction and the Imperialist Course of the United States"]

[Text] The Salvadoran people with weapons in their hands are waging a revolutionary struggle against their oppressors. The pro-American military dictatorship which has existed in our country for more than 50 years is collapsing under the pressure of the struggle of the people, which is determined to become free and which is acting under the leadership of its own vanguard--the Farabundo Marti National Liberation Front (FNOFM). And only the growing military and political interference on the part of the United States of America in the internal affairs of El Salvador is saving the ruling reactionary regime from final defeat.

Over the course of several years of the people's war the revolutionary forces have switched over from strategic defense and the tactics of an equilibrium of forces to the tactics of violating this equilibrium. The FNOFM is winning more and more victories, expanding the zones located under its control, and stepping up its political and diplomatic activities. The Communist Party of El Salvador, together with other revolutionary forces, is fighting in the ranks of the FNOFM. The organizational quality of the insurgents has considerably increased, and their authority among the population is growing.

Despite considerable efforts and on several occasions boastful assertions, the United States has not managed to achieve its basic goal: the defeat of the FNOFM forces by military means. The Salvadoran Army is not capable of carrying out this task, despite the fact that its numbers have almost doubled. Nor is it aided by the fact that it has an arsenal of up-to-date weapons, enjoys "consultations" with American military advisors. Today it is characterized by demoralization, corruption, and degradation.

The military campaign of the FNOFM, waged in October 1982, as well as ensuing offensive actions, have shown that the command of the government troops is undergoing a serious crisis, that it is losing confidence in its personal

staff, while the demoralization of the soldiers and the junior officers has reached an unprecedented level. Under these conditions there has occurred an intensification of conspiratorial activity among the officers, who adhere to diverse views.

Of course, the rapid disintegration of the Salvadoran Army has caused great anxiety in the government of the United States and in the Pentagon. High-ranking officials from the U.S. Department of Defense came to El Salvador and Honduras--the U.S. Assistant Secretary of Defense, F. Ikle, and the commander of the Southern Military Zone of the American forces, General Nutting--who conducted a number of conferences with the high command of the armies of these countries.

On the political level the U.S. administration and its allies in El Salvador have also had a number of failures. In the first place, their plan to create a military, Christian-Democratic government failed. In the second place, their hopes for stabilizing the internal political situation in El Salvador with the aid of elections to the Constituent Assembly and the creation on this basis of a "legitimate" government of Christian Democrats did not work out. The actual result of these elections was the exacerbation of the contradictions within the ruling classes.

A fierce struggle is going on for power and domination in the state apparatus. It is being conducted by various means, right up to organizing assassinations, conspiracies, attempts to bring about a coup d'etat, of which, by the way, there have been a great many during the past three years.

Therefore, the "government of national unity," which was created in 1982 after the March elections and with the assistance of the United States, could not be stable. A new element of crisis in the enemy camp is the fact that contradictions are being experienced by the political parties and factions which are participating in the government. Disorder is becoming more intensified.

The U.S. administration has often declared that in El Salvador, as it were, "it has aimed to improve the situation in the field of the observance of human rights." However, such pharisaical assertions do not correspond in any way with the genuine situation in the country but merely serve as a cover for the massive support of the reactionary regime on the part of Washington. Raging in the country are terror and arbitrary rule, and bestial murders are being committed. Since March 1980 all constitutional guarantees of any kind have been totally suspended, and a harsh martial law has prevailed. Under its cover the special services and various fascist terrorist organizations have committed excesses. Nor was the Salvadoran military lagged behind them; it has employed the "scorched earth tactics" in combat regions against the insurgents. In order to save themselves from the terror, several hundreds of thousands of Salvadorans have been forced to flee the country.

The FNOFM and its strategic ally, the Revolutionary Democratic Front (RDF), coordinating their military and political activities within the country and

political-diplomatic activities abroad, have come out against the solution of the Salvadoran crisis by military means; they have put forth proposals for a political solution of the crisis in the country. All of this has been resisted by the Reagan Administration and its allies in El Salvador. U.S. imperialism and Salvadoran reactionaries are waging a cruel war of extermination against the civilian population of our country. This has led not only to the failure of their military-political plans but also to their obvious isolation in the international arena.

And, in contrast, the struggle of the Salvadoran insurgents enjoys broad and active international support. Moreover, this is not merely because the patriotic forces have shown persistence in their attempts to put forth proposals and initiatives which would lead to a political regularization of the conflict, but also because we are supporting the struggle of the peoples who are fighting against colonialism, all forms of oppression and discrimination, and for peace on earth.

Of particular importance have been and still are the declarations of the USSR, exposing the interference by the United States in the internal affairs of El Salvador and the threat which the United States poses to the cause of peace in Central America. Expressed in them is the ardent solidarity of the Soviet peoples with the struggle being waged by the Salvadoran people. The Soviet Union constitutes a firm bulwark of the peoples in the struggle for social and economic liberation. The Land of the Soviets is rendering unwavering support to the liberation, anti-imperialist movements, to the fighters against national and social oppression in all their forms. The USSR has been and remains the decisive force of the great revolutionary movement which is transforming the world.

The struggle against the aggressive and interventionist policy of the U.S. government and for the further isolation of the Salvadoran reactionary regime has entered upon a new phase. Neither Washington nor the government of El Salvador can propose any kind of political alternatives. The political events occurring in Latin America confirm our evaluation and show that the peoples are wrecking the adventuristic plans of the Reagan government, which is inciting conflagration in the region.

Whereas the FNOFM and the RDF have on several occasions put forth proposals aimed at seeking a political regularization of the conflict, proposals which have been supported by various international political organizations, Washington, in pursuing its own aggressive course, has come out and continues to come out for a solution of the Salvadoran crisis by military means. U.S. imperialism had hoped that it would quickly solve this problem with the aid of the Salvadoran Army. The American administration spared neither efforts nor funds for this purpose. The United States rendered the Salvadoran military economic, political, and military aid, despite the protests on the part of a broad-based American public opinion and the peoples of the entire world.

During the years 1981--1982 U.S. aid to the Salvadoran military amounted to more than 424 million dollars. American military advisors guided and still

are guiding the operations of the Salvadoran Army. At a military base in Fort Gulick, located in the Panama Canal Zone, a command post is in operation for the overall conduct of the war in El Salvador.

El Salvador's armed forces have received from the United States eight warships for guarding the coastline, 20 transport helicopters, 20 special airplanes for conducting anti-partisan warfare, surface transport means, and means of communication. The United States has armed the 33,000-man-strong Salvadoran Army with M-16 automatic rifles, and it has rendered assistance in the formation of special sub-units for waging anti-insurgency actions. It is providing continuous training for the soldiers and officers of the Salvadoran Army. During the last year alone more than 8,000 soldiers and 600 officers were trained. With its aid five special brigades were formed for waging the anti-partisan struggle; one of these brigades was trained at the American military bases at Fort Bragg and Fort Benning. Washington is continually broadening its military deliveries to the ruling regime of El Salvador and is increasing other types of aid to it.

The Reagan Administration has gradually drawn Honduras into the Salvadoran armed conflict, thereby compelling this poor country, which is experiencing a profound economic crisis, to enter upon the path of an unrestrained arms race. This process of drawing in has occurred in the following manner. In the first phase holding operations were carried out, that is, "buffer zones" were established in order to prevent the so-called "supply of arms" to the FNOFM detachments from the territory of Honduras. The basic purpose of these operations was to guard the border with El Salvador, to exercise military control in the camps for Salvadoran refugees which were set up by UN plenipotentiaries, as well as to harass the Salvadorans who live in this country and who are suspected of collaboration with the FNOFM.

In the second phase military sub-units of the Honduran Army, together with the Salvadoran military, took part in the so-called "hammer and anvil" operations in the border zones against the Salvadoran partisans. Together with the security services of El Salvador, the Honduran sub-units participated in the mass exterminations of the peaceful population. Mass organizations and the Catholic Church of Honduras on several occasions have cited overwhelmingly impressive data on the number of children, old people, and women who have perished as a result of the punitive operations of the Salvadoran and Honduran military. In the third phase the Honduran Army, acting in conjunction with the Salvadoran Army, began to take part directly in military operations against the insurgents on the territory of El Salvador.

These and many other facts testify that the American strategists are striving to turn Honduras into the Israel of Central America, into an imperial "bunker" in this region. In order that the Honduran Army can perform the role of gendarme in Central America, the United States has granted the reactionary regime of this country an enormous amount of military and economic assistance. During the years 1981--1982 more than 36 million dollars were allocated for military goals, while more than 114 million dollars were allocated for economic purposes. Furthermore, the Pentagon granted the Honduran Army 20 transport helicopters and established on the territory of

Honduras a center of direct communications with the Panama Canal Zone; it is building a naval base on the island of Amapala, situated in the Gulf of Fonseca between Nicaragua and El Salvador; it is maintaining in the Honduran waters of this gulf a warship fitted out with special electronic equipment; it has directed more than 100 military advisors to this country.

The attitude of the United States toward El Salvador, as is known, is combined with its imperial policy in Central America and the zone of the Caribbean Basin; it corresponds to the strategic line, as set forth in the well-known Santa Fe document. Washington has obviously intensified its own military and political interference. The attacks of U.S. imperialism are directed principally against Socialist Cuba, Nicaragua, and Grenada, who are building a new life, as well as against the revolutionary movements in El Salvador and Guatemala. But their attacks are directed essentially against all the democratic, patriotic, and political forces of the countries in this region which have come out for genuine independence. The ruling circles of the United States have undertaken desperate attempts in their efforts to restore their former positions in Central America as well as in other regions of the world; but these attempts are being inexorably undermined by the liberation, anti-imperialist struggle of the peoples. By acting "from a position of strength," whipping up the arms race, the Reagan Administration from its very first day in power has conducted an imperialist, irresponsible, and adventurist policy.

A specific manifestation of the U.S. interventionist course is comprised by the present-day actions against Nicaragua. With Washington's support incursions of counter-revolutionary factions onto Nicaraguan territory have been committed. Penetrating in from Honduras, bands of Somozists have terrorized the inhabitants of rural regions and have killed peasants and activists for the people's regime. As testified to by irrefutable facts, these incursions were prepared by the CIA. It is precisely the United States which scraped together from the Somozists an army of hirelings, trained it, and supplied it with the latest types of weapons. Upon the decision of the White House, the CIA allocated millions of dollars to expand the conduct of actions aimed at destabilizing the situation in Nicaragua.

In its intrigues against Nicaragua the United States has had extensive recourse to the use of military, political, ideological, and economic means. The actions of the Reagan Administration, which has backed the incursions of the counter-revolutionaries into Nicaragua from neighboring Honduras, have created a serious danger to stability and peace in Central America. Washington's assertions to the effect that Nicaragua represents a threat to the United States are patent lies and merely a pretext. It is obvious to everybody that the threat to stability and security in the region proceeds not from the people of the country engaged in peaceful construction, but rather from the irresponsible policy of the Reagan Administration. Confronted with the imperialist threat, the Nicaraguan people have consolidated their own ranks. In defending the revolution, they have acted firmly and decisively.

The war which is being waged by the Salvadoran people is inexorably drawing closer to revolutionary victory. At the same time we must emphasize that

the defeat of the Salvadoran dictatorship and its army could serve as a pretext for the direct intervention by the United States in the Salvadoran conflict with ensuing complications for the situation throughout Central America and the emergence of a new focus of international tension. The present-day situation constitutes a critical moment in our history; it is directly linked with the fates of our homeland, Central America, the Caribbean Basin, and it relates to the entire world.

The leaders of the FNOFM and the RDF understand the entire complexity of the present-day moment, and, therefore, they are acting with revolutionary inexorability, conducting a responsible and serious policy, since they are confident of their own strength. They can make and are making their own contribution to the cause of solving the Salvadoran crisis by peaceful means. We are opposed to the fact that the Salvadoran people and the peoples of the other Central American countries have continued to suffer; we are not advocates of exacerbating the international situation, on the contrary, we advocate peace.

It is precisely for this reason that we are continuing to insist on a political solution of the armed conflict. Directed at this is our new proposal, made in October of last year, to initiate a dialogue, directly and without any kind of preliminary conditions, between the FNOFM and the RDF on the one hand, and the government, the Constituent Assembly, and the armed forces--on the other hand. For this same reason we have recently proposed to the Honduran government that it begin a dialogue for the purpose of achieving a practical agreement on the non-interference in the internal affairs of our countries. Such are our proposals.

However, our readiness to seek out paths for a political solution to the crisis does not in any way signify that we are weak or that we are capitulating to the danger which hangs over our country. On the contrary, our proposal--to begin a dialogue as a first step on the path to a political regularization--testifies to the strength of the FNOFM and the RDF, their maturity and sense of responsibility.

But, as was stated by the general secretary of the Central Committee of the Communist Party of El Salvador, Shafik Jorge Handal, "we believe in victory, which is approaching; we will gain this victory."

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CSO: 1807/292

PROVISIONS FOR 'DUE PROCESS' IN DECREE 507 CHALLENGED

San Salvador DIARIO LATINO in Spanish 27 Jun 83 pp 2, 13

[Text] Monsignor Freddy Delgado, coordinator of the Commission on Human Rights of the Apaneca Pact, stated at a conference that Salvadoran jurists are making an in-depth study to analyze and revise decree 507, especially in its second draft, because they consider it illegal and in violation of Human Rights.

In his talk before the members of the American Chamber of Commerce, he stressed that such a decree becomes illegal when there is no due process for any person linked with subversive acts.

For this reason, the jurists are conducting an official study to revise or modify decree 507, a part of whose text is interpreted as meaning that a captured person may remain in prison secretly for 180 days.

Monsignor Fredy Delgado spoke of the cases reported to the Human Rights Commission. He said there have been 514 of these cases of which 91 have been settled positively, 45 of them were completely settled with the verdict of not guilty, 37 have been turned over to the courts and the remainder have requested writs of habeas corpus.

He added that this percentage of cases settled has been presented to American government officials and were considered acceptable considering the effort made and the difficulties encountered by the Human Rights Commission and taking into account that the Commission has been operating only since 3 January 1983.

He pointed out that the number of violent deaths dropped in 1982 and even more so during the present half-year when the Human Rights Commission of the Government of Unity has been intervening.

Monsignor Delgado said that there continue to be cases of violent death for different reasons: among combatants of the army and subversives; as a result of the activities of rightist groups; and the majority from acts of vengeance. The latter take advantage of the fact that there is no way for them to be judged by the courts which is a reason for the rise in the state of violence.

The work being done by the Human Rights Commission is the subject of a series of talks in army barracks and even with local commanders focusing on human rights.

QUESTION OF PARTY ALLIANCES FOCUSES ON PAISA

Speculation on PAISA-ARENA

San Salvador EL MUNDO in Spanish 27 Jun 83 p 31

[Commentary by DE VE]

[Text] Why are some people in a hurry for Maj R. D'Aubuisson to leave the presidency of the Assembly, for the directorate to be restructured, for the Christian Democrat Party [PDC] to be incorporated into it and, in the process, for the sole representative of the Salvadoran Popular Party [PPS] to be eliminated from it?

Questions like these float around in the local political environment and especially among those nearest the Assembly where expectations grow as the days go by and the new constitution is about to be approved. In any event, according to the statements of Attorney Rafael Moran Castaneda himself, president of the commission which drafted and discussed the new legal document which will be the supreme law of our land, when the discussion is held in plenary sessions, every citizen, upon approval of a written request to do so, may speak in support of or against individual provisions. This removes any doubt that prominent figures such as Rodriguez Porth and Roberto Ortiz Avalos, on the one hand, and members of labor unions and syndicates on the other, will be there presenting their points of view, but the real truth is that this will delay even more the promulgation of the constitution.

Even so, and in spite of the fact that there will be those who, as we have already said, will delay until September the date on which the process of approval of the new constitution will be underway, if the present President of Congress continues in his inclination to withdraw from civic involvement, as soon as the constitution is approved, the Assembly will no doubt undergo substantial changes.

To begin with, who will make an alliance with whom?

As of now, there are some who express the opinion that the logical President of the Assembly will be Dr Mia Julia Castillo since she has the nine votes of her dissident deputies, formerly of the PCN and now member of the new PAISA [Salvadoran Authentic Institutional Party].

Others think that the next President of the Assembly will be Attorney Luis Nelson Segovia of the Democratic Action Party [PAD] but only as a compromise candidate if the other groups represented there do not come to an agreement.

The PCN and PDC may follow parallel roads which are very close during the coming elections but since up to now nothing has happened, speculations continue. Recently there has been talk that the PAISA presidential possibility Roberto Escobar Garcia, might head a PAISA-ARENA [Nationalist Republican Alliance] ticket, with Conrado Lopez Andreu as candidate for vice-president for ARENA which would join PAISA in a coalition. This would not be surprising but up to now it also has not been translated into reality.

Finally, and with some justification, there are some who think that it would be best for the Assembly to remain, continue and end up with its present composition. Though R. D'Aubuisson is ARENA's first choice as candidate it is not essential for him to leave his high post in order to establish his presence in the national political arena.

What will be the final outcome of all of this? Let us wait and see what the coming days bring because under any circumstances El Salvador is a country with large numbers of men ready to sacrifice themselves. Every day we see this on the battlefield where men die who are members of both sides but who are of the same nationality: they are all Salvadorans. But the real question arises when it comes down to occupying key power posts. There the "sacrifice" seems to be in inverse relation to one's merits. However, there are rightists and leftists (in the end Ungo and Company will participate in the elections) who are seriously considering becoming candidates. If today there are five major parties (or who pretend that they are so) and there are present other parties who will double this number, the bureaucratic proliferation will be so fragmented that nobody will want to fight for anything other than to be included in the nation's payroll. In the end, they will be following the jobhunter's principle that "To live outside the government payroll is to live in effort."

Lopez Andreu Refutes Speculation

San Salvador EL MUNDO in Spanish 29 Jun 93 p 28

[Text] Our director received today from Conrado Lopez Andreu the following clarification on "La Curul 61" by De Ve:

"In yesterday's edition of the prestigious periodical which you direct there is on page 31 a column entitled "La Curul 61" by a well-known journalist who identifies himself solely by the initials De Ve.

"It frequently occurs, in preelection periods, that the fertile popular imagination formulates and utters all types of speculations, some of which are totally false.

"One of these speculations is the one by the journalist DE VE when he speaks of a possible PAISA-ARENA presidential slate headed by Col Dr Roberto Escobar Garcia as presidential candidate and myself as vice-presidential candidate.

"For myself, I emphatically declare that that and any such slate of candidates, similar or not, are mere figments of speculation without base or foundation whatever.

"As a Salvadoran, I am interested and I am profoundly concerned with the political future of our country. As a citizen, I must participate in the electoral process supporting what I consider to be the best solutions for our complex national problems. This does not mean that I am motivated by an interest in, or intention of, holding a public office.

"I believe that each and every Salvadoran can be equally useful to our country by struggling and defending it in the field which is appropriate for him. Up to now, I have employed my modest capabilities in the private sector and from within it I wish to continue to serve our country.

"I hope in this way to put an end to any speculation along the lines of that which caused me to write to you. I welcome this opportunity to express my esteem and high regard." Cordially, Conrado Lopez Andreu."

PAISA in Decisive Position

San Salvador LA PRENSA GRAFICA in Spanish 28 Jun 83 pp 2, 34

[Text] The Salvadoran Authentic Institutional Party [PAISA] has not yet defined its socioeconomic position but we believe it to be a political party with a forward-looking, positive vision as to social reforms which the nation needs.

This was said by Julio Adolfo Rey Prendes of the PDC [Christian Democrat Party] in reply to questions by newspapermen as to whether PAISA as a "conservative" party supported the Agrarian, Banking and Foreign Trade reforms that have been begun.

Rey Prendes said, "That PAISA is a conservative party is not my opinion since its actions with regard to social reforms have always been positive; that is, in support of the reforms.

"For example, when there was a vote in plenary session on the continuation of the Agrarian Reform, that is Decree 207, PAISA was the only party, aside from the PDC, which voted in support of this."

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CSO: 3248/1034

ANUDE STATEMENT OF NEGOTIATIONS IN CENTRAL AMERICA

San Jose LA NACION in Spanish 23 Jun 83 p 11A

[Text] Nicaraguan Assembly For Democratic Unity

Statement in response to recent articles published in THE NEW YORK TIMES. To the democratic peoples and governments of the world, to the Nicaraguan people: The Nicaraguan Assembly for Democratic Unity (ANUDE), an organization which is struggling to unite all those who oppose the Marxist-Leninist regime of the Nicaraguan FSLN [Sandinist National Liberation Front], in view of reports published by THE NEW YORK TIMES in which, citing "official U.S. sources," it is stated that intense pressure is being put on the U.S. Government by influential members of the administration to proceed with negotiations in Central America, sacrificing the people of Nicaragua in exchange for the cessation by that government of its support for the Salvadoran guerrillas, takes the liberty of making the following statement:

1. That the current struggle in Nicaragua is the only recourse remaining to our people to achieve true freedom, inasmuch as all the patriotic efforts that have been made within the outside the country to avoid more bloodshed for the Nicaraguan people have been dashed against the power and the dictatorial and totalitarian character which has marked the National Directorate of the FSLN since it assumed power on 19 July 1979. This is why Nicaragua is on a war footing and is demanding solidarity from the democratic peoples and governments of the world.
2. That those who encourage this type of negotiation in Central America are turning their backs on reality, since they they pretend to be ignorant of the just reasons that have driven the Nicaraguan people to a new sacrifice, as well as the history of international Marxism-Leninism, which has accepted all kinds of compromises when it is convenient, only to disown them afterward, as occurred with Cuba during the crisis in October, 1962, when Castro promised, among other things, not to support armed movements in other countries, in exchange for which the U.S. Government would not support any armed action against his government. Bolivia and Venezuela in the 1960's and Central and South America in the 1970's and 1980's are eloquent examples of how Castro has carried out the promises he made.
3. That we Nicaraguans believe that as long as there is a Marxist-Leninist regime in Nicaragua there will be no peace in our country and in the rest of

Central America, since it has been demonstrated abundantly that it is the repressive character of that government that has caused the popular insurrection of the Nicaraguan people, and the expansionist aims of that same government that have caused destabilization of other governments in the Central American region. That is the essence of the problem, which we hope the Contadora Group will take into consideration in its future deliberations, if it is really trying to find a solution to the Central American conflict.

4. That we Nicaraguans who are fighting for the establishment of an authentically democratic government in our country will never allow anything to be an object of negotiation which is counter to the legitimate interests of the Nicaraguan people. One cannot speak of negotiation without taking into account the dissident organizations which, within and outside of the country, are struggling in various ways to save our fatherland. One cannot speak of negotiations while turning one's back on a nation which is resisting with admirable courage the attacks of a totalitarian-inspired regime which violates human rights every day.

5. That it is very important that democratic peoples and governments understand the need for solidarity with the heroic struggle of the people of Nicaragua, because otherwise that struggle which today is taking place in our country will have to reach beyond, to their own cities and countryside, since it has already been demonstrated that world domination is the chief goal of Marxist-Leninist totalitarianism.

6. That we call upon the democratic governments and peoples of Latin America once and for all to proceed with the reopening of the 17th Consultative Meeting of Foreign Ministers of the OAS, so that they may consider and resolve, in the light of their resolutions, the treason committed by the National Directorate of the FSLN against our people and against international solidarity, without whose concurrence it would not have been possible to overthrow the previous dictatorship.

Finally, we publicly urge the democratic peoples and governments of the world to express as best they can their solidarity with the struggle which the Nicaraguan people are carrying on with patriotism and dignity against the Marxist-Leninist FSLN regime, a regime which is sustained by the system of terror it has implemented and by the support it receives from interventionist gangs of international communism.

San Jose, Costa Rica, 18 June 1983

United with all in the service of Nicaragua.

By the Nicaraguan Assembly for Democratic Unity (ANUDE)

Wilfredo Montalvan, Secretary General

Nicaraguans: if you desire the unity of all those who are fighting to return to the fatherland and for the establishment of a truly democratic government in our country, join the Nicaraguan Assembly for Democratic Unity (ANUDE). Write to the following address: ANUDE, Box 570, Code 1002, San Jose, Costa Rica. Signature witnessed by: Mario Alfaro Alvarado, Seal No 116-36280-16980

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CSO: 3248/1029

COMMUNIST LEADER SAYS DEMOCRATIZATION NECESSARY

San Jose LA NACION in Spanish 18 Jun 83 p 33A

[Text] Managua (ACAN-EFE)--The Communist Party believes the democratization of Nicaragua to be an imperative necessity and an urgent measure aimed at foiling "the militaristic plan being implemented by the administration of Ronald Reagan," Eli Altamirano informed ACAN-EFE yesterday.

According to the communist leader, the democratic path is of vital importance to the interests of peace in the region. He added that democratization of the Nicaraguan process has already begun, with the discussion of the political parties law in the Council of State and the electoral tasks that are being initiated. Altamirano pointed out that the economic liberation of the country is not the result of wishes, but is a patriotic task "of workers, peasants and the national bourgeoisie."

Eli indicated that in Nicaragua it is not yet "time for the dictatorship of the proletariat or for socialism; rather the democratic phase of the revolution is needed so that the country may achieve social progress and thus inspire other Central American peoples and nations.

Meanwhile the weekly, AVANCE, spokesman of the Nicaraguan Communist Party, denounced corruption in state enterprises, pointing out several cases, such as: the Ramon Raudales livestock enterprise, where a \$50,000 fraud is being investigated, and the Salja commercial enterprise of the People's Commercial Corporation (CORCOP), where a million-dollar embezzlement was charged, but the "guilty parties" were set free.

AVANCE added that someone stole \$43,000 from the people's store at the Ajax Delgado police complex and that three persons were accused of stealing large quantities of sugar from the National Enterprise for Staple Foods (ENABAS). The communists say that those who commit frauds against the national economy "avail themselves of the protection of several judicial agencies" to obtain their freedom.

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CSO" 3248/1029

STUDENT DESCRIBES PERSECUTION AT UNIVERSITY

San Jose LA NACION in Spanish 27 Jun 83 p 13A

[Text] A Nicaraguan university student who was expelled from his country has charged that he was abused by a group of Sandinist s who had infiltrated the Autonomous University of Nicaragua.

He is Mario Jose Ortega Gonzalez, 21 years of age, who came to Costa Rica on 15 June to continue his studies in architecture. The same thing happened to Juan Carlos Marin Lacayo, who also came to San Jose, and Sergio Barberena, who went to Miami.

Ortega said they began to have problems at the university when they expressed their democratic ideas and criticized some of the actions of the Sandinist National Liberation Front (FSLN), the Government Junta of National Reconstruction (JGRN) and the Sandinist Defense Committees (CDS).

The Sandinistas, Ortega explained, began to introduce individuals favorable to their interests, to whom they had given what they called "preparatory" training, consisting of primary and secondary education on a crash course basis, so that they might enter the university immediately.

These students, most of them ~~members~~ of the CDS, are chiefly children of workers, peasants and people with few resources, and they receive food, housing and tuition from the government. "They are one more feature of Sandinism," Ortega said.

He charged also that these young people came armed to class, shouted political slogans and received military training. Some instructors also came to the univesity with regulation militia weapons and practiced the mock takeover of classrooms, using dummy bullets and bombs.

"We were very much annoyed by these activities and expressed our disagreement on several occasions. That is when the problems began, and they pressured us, tried to frighten us and called us reactionaries or counterrevolutionaries," Ortega recalled.

Evidently, he added, these people were not interested in academic and cultural education, since they only talked of political matters.

Tribunals

Ortega said that when things got worse, they were told that they would be tried by a special tribunal, since they opposed the course of the Sandinist revolution, and that the tribunal would have to decide whether to expel them or to impose some other type of punishment.

On the day they were tried the director of the School of Architecture, Rita de Franco, was present; she had full knowledge of what was going to take place. He recalled that some 3,000 students came to the auditorium, along with the rector of the university, Luis Humberto Lopez, dressed in his militia uniform. "They shouted at us that we were reactionaries, that they would throw us out or kill us."

"The trial took place and they decided to expel us." The rector sent a letter to the other university officials in the country informing them that the young men had been expelled for opposing the revolution.

"When we left the auditorium they cut off our hair very short, pulled off our clothes and painted our entire bodies with red paint. They also filmed the whole spectacle with television cameras," Ortega related.

He also said that the expulsion of the three of them was part of a ceremony in which militiamen's identification cards were given out and which took place that day at the center of higher education.

Any universities in Nicaragua which have democratic ideals are in danger, and the same thing could happen to them at any time, Ortega said, who added that many Nicaraguan professors have actually been dismissed and replaced with so-called internationalists, outstanding among whom are Chileans, Argentines and Cubans, all with leftist ties.

Finally he expressed his regret that he and his friends have had to leave their country for fear of the Sandinista infiltrators who are taking over Nicaragua's center of higher education.

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CSO: 3248/1029

PPC DOCUMENT ON ECONOMIC POLICY REFORMS PRAISED

Lima LA PRENSA in Spanish 7 Jul 83 p 10

[Editorial]

[Text] The Popular Christian Party (PPC) has made public an important document in which it analyzes the economic crisis, appraises government policy, and suggests different measures to correct it.

The document in question was made public before the PPC made a decision on the extension of its cooperation with the Popular Action Party [AP] in forming a future government. Therefore, the document cannot be regarded as a statement of its intention to break the agreement with AP. Neither can it be regarded as destructive criticism or propaganda issued for electoral purposes.

Basically, the PPC identifies four fundamental errors in government policy on economic matters since 1980. These are:

- Continuing the expansionist fiscal policy of the government at a time when it should have held back on expansion in order to fight against the inflation and prevent weaknesses from developing in the foreign trade sector.
- Tying the behavior of the private sector to the behavior of the public sector as a consequence of the previous error.
- Pretending to liberalize the economy by carrying out tariff reforms and eliminating tariff-like restrictions in order to stimulate industrial competition without, at the same time, reducing costs imposed by the government, such as: taxation, labor stability, social security, industrial community, regulations, etc.
- Manipulating the bank interest rate and the rate of exchange. Due to the inflationary spiral, active rates have gone up, but not passive rates. Therefore, people who save have been impoverished. In turn, the exchange lag has made imports cheaper and has made exports more expensive. This has affected the trade balance and is consuming a growing proportion of our reserves in foreign exchange. In the long run this will seriously weaken the external sector of the economy.

To correct these errors, Doctor Bedoya's party proposes up to eight lines of different action, all of them animated by the principles of the social market economy, which has been turned into the supreme law of the land by the constitution now in effect.

Consequently, the PPC urges the following steps to be taken:

--Change the attitude toward economic management. That is, govern on the basis of realities, rather than illusions.

--Fight inflation at its root causes: the budget deficit and the consequent issuance of paper currency without any backing. Do this at the least possible "social cost."

--Reduce public spending, not only as a matter of accounting but also as an attitude of government. Therefore, look for a solution to the problem of state-owned enterprises and non-productive investment projects.

--Coordinate political decisions among all sectors involved to eliminate infighting.

--Change the treatment of private enterprise: direct credits toward the private sector; adjust the basic money supply to the needs of development; maintain rates of interest compatible with inflation and the devaluation of the currency; establish a real rate of exchange and reduce expenses; and give preference to taxes which place a burden on consumption, among other things.

--Take advantage of favorable opportunities as they occur in the external sector, with the economic recovery of the developed countries.

--Take emergency action regarding industry: simplify government procedures, rearrange tariffs, reduce the burden of taxation, increase the credits available in soles, stimulate exports. The full operation of the market is the final goal.

--Finally, establish regional authorities and a responsible style of administration to undertake natural disasters.

The rational analysis of the above points shows unequivocally the clarity with which the Popular Christian Party is considering the economic problems of the country.

Identifying the principal cause in the increasingly explosive situation facing the country without regard to any particular measure or criterion, is no doubt the principal achievement in this analysis. Proposing recovery through private initiative is therefore its best recommendation.

The doctrinal coherence of the document and its responsible purpose cannot be denied, particularly in comparison with other political statements which are plagued with stereotyped phrases and strung out with "cliches" and incoherent statements.

For all of these reasons the government party should pay maximum attention to the PPC statement. In most cases the government will find not only a different opinion expressed with a constructive purpose but real alternatives to deal with present difficulties in a successful way.

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CSO: 3348/555

REPORTAGE ON SHINING PATH ACTIVITIES

Peasant Casualties Reported

Lima EL COMERCIO in Spanish 18 Jun 83 p A 1

[Article by Francisco Vallejos]

[Text] Trujillo, 17 Jun--Thirty Sendero Luminoso [Shining Path] criminals Tuesday murdered 15 peasants in a raid of the San Antonio SAIS [Social Interest Agricultural Association], located 3 hours from Sartimbamba district in Huamachuco Province. This province within La Libertad Department borders on Cajabamba Province of Cajamarca Department.

The attack took place about 4 pm, according to peasants who escaped the slaughter which occurred while they were weeding the fields.

The communists' insane action was confirmed in a radiogram from the 68th Civil Guard Command headquartered in Otuzco Province. The message reports that the extremists have Russian-made light automatic weapons.

The message from Otuzco also reports that the communist gang captured and is holding hostage 65 peasants of the San Antonio SAIS.

Reports by truck drivers who travel the Trujillo-Quiruvilca-Huamachuco route indicate that a large number of Senderistas from the provinces of Cajabamba and Jaen is concentrating in the communities of Marcabalito and Sarin.

These communist groups also have provoked clashes among peasants of the Chuquisongo SAIS, supporting temporary workers known as "Golondrinas" to illegally occupy Chuquisongo land affected by the agrarian reform, for their own workers.

Bombs in Lima

Meanwhile, bombings again occurred last night in various areas of the capital, causing great alarm among the population. No injuries were reported.

The series of bombings--10 in all--started at 7 pm in front of the Sheraton Hotel and in the gardens of San Martin Plaza. These were followed by bombings of four banks--the Continental on Mexico Avenue, Interbanc between Faucett and La Marina Streets, and the Popular and Wiese banks on Argentina Avenue.

Other attacks took place in Brena municipality, at the CPT office on Faucett, at the ASINCOOP mutual benefit society and at a factory near the naval hospital.

Ayacucho Attorney General Assassinated

Lima LA PRENSA in Spanish 19 Jun 83 p A 1

[Text] Ayacucho, 18 Jun--Attorney General Dr Paulino Alpacca Paredes (age 46) tonight was assassinated with one shot by three masked men, presumably Shining Path members.

The criminal attack took place about 7 pm on Chorro Street, only a block and a half from the 9th Civil Guard Command.

Doctor Alpacca was walking on that street after having left his car in a garage, according to witnesses to the crime.

The three criminals approached him and a shot at point-blank range was heard. The magistrate fell, bleeding profusely. The bullet destroyed his mouth and lodged in his brain.

The subversives placed a sign over the body that read: "This is how Belaunde's squealers and lackeys die. Long live the people's war, long live the Communist Party, long live the grassroots organization." Then they left and residents were powerless to do anything.

The body was removed at 8:45 pm by order of Dr Baldomero Solis, deputy trial judge. Dr Guiulermo Saavedra Sanchez, provisional district attorney on duty; Dr Angel Bonilla, president of the Superior Court; and Dr Jose Cueva Gongora, provincial attorney general, were present.

Police arrived shortly thereafter and began a hunt for the terrorists who have taken another life in this emergency zone.

Attack in Canarias

The Minas Canarias mining center was the object of another attack Friday and terrorists destroyed with dynamite charges the medical post and drinking water canal. The attackers numbered 50 and were repelled by a Republic Guard squad.

The Political Military Command has dispatched a patrol of army commandos with instructions to comb the zone and find the subversives.

The Minas Canarias mines have been inactive since two previous attacks in which almost all the installations were destroyed.

Power Outage and Dynamite

Subversives dynamited substation no. 11, cutting electrical power to part of the city since 7 pm Friday. In addition, dynamite attacks were made on Emadi-Peru, El Calvario park and Acurhimay hill, causing extensive damage.

Lieutenant Governor, Others Killed

Lima LA PRENSA in Spanish 22 Jun 83 p 1

[Text] Cerro de Pasco, 21 Jun--Six persons, including the justice of the peace and the lieutenant governor of Yacan, have been assassinated by a group of Shining Path terrorists who today attacked the towns of Yacan and Paucar. In the latter they clashed with police who killed two of the criminals.

Yacan was the first to be attacked. Five armed and masked men took the main square by storm and, after haranguing the people, seized Justice of the Peace Pablo Cardenas and Lt Governor Isidoro Cardenas as hostages, shooting them to death at close range.

Then, in Paucar they removed Director Eladio Lavado from the school and killed him. They also shot peasants Juan Escandon, Leovigildo Gomez and Bertha Vallejos, who died instantly.

On Paucar's plains, police caught up with the group that was fleeing in a truck stolen in Yacan. Two subversives were killed and three others escaped.

The police, which furnished this information, reported they confiscated arms, explosives and much propaganda and recovered the vehicle.

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CSO: 3348/522

BRIEFS

CONTROL OF FOREIGN FOUNDATIONS URGED--The president of the republic has just repeated previous denunciations he had made regarding participation of foreigners in terrorist activities, which cause substantial losses to the country. The capture of two Danish citizens who were associated with terrorist elements in Ayacucho only confirms the correctness of the statements made by the president. This is not a matter of blaming the government of the country of origin of the capture foreigners. Nevertheless, it is clear that, individually or in groups, foreign elements are participating in the internal affairs of Peru. Furthermore, this interference reportedly has taken place through pseudo-foundations ostensibly intended to promote research, principally in the area of the social sciences, or through organizations which collect funds for the supposed purpose of providing assistance. Whether by means of direct intervention, promoted by interventionist governments--the case of Cuba in Angola or the case of Central America--or by indirect intervention, such practices must be rejected with the greatest energy. Charitable organizations, those providing assistance, or those promoting research programs must confine themselves with the utmost strictness to carrying on activities specifically authorized by the Peruvian Government. And this must be done in accordance with the sector of activity involved. Foreign elements who individually or in a separate way carry on activities connected with terrorism will face the severest and most energetic application of the law. [Text] [Lima LA PRENSA in Spanish 7 Jul 83 p 10] 5170

CSO: 3348/555

IDB LOANS TO FINANCE AGRICULTURAL PROJECTS DISCUSSED

Caracas EL UNIVERSAL in Spanish 29 Jun 83 p 2-2

[Text] Venezuela will request a loan of 480 million bolivares from the IDB to finance Venezuelan agricultural projects, within a total program of 900 million for which the republic will assume responsibility.

Ismael Hernandez, president of the Agriculture and Livestock Credit Fund [FCA], made the announcement following a meeting he had with the minister of finance in his office.

The loan request will be submitted to the IDB in August and FCA will administer the loan.

It still has not been determined in the negotiation conditions whether the government or FCA will be the official borrower. If it is the government, the loan applicant would be the Finance Ministry which will be directly responsible for investment of the loan on national agriculture.

FCA President Ismael Hernandez said loans to be granted by FCA to national producers will be made under the same conditions of financing and interests that the IDB establishes with the Republic of Venezuela.

In this regard, he estimated that such loans would bear interest of about 9.5 percent, in keeping with the IDB's current financial situation.

Doctor Hernandez also announced that the FCA yesterday afternoon proposed to the board of the Central Bank of Venezuela that a request for a loan of 600 million bolivares be made to the Venezuelan Investment Fund. An amendment also was proposed to decree 1,251 which compels the country's private commercial banks to invest 20 percent of their portfolio on agricultural and livestock projects.

Since banks have not in practice fulfilled this legal requirement, a revision of that legal regulation has been studied.

The proposed revision of decrees also provide for participation of the agro-industry as beneficiary of this 20-percent allocation of commercial banks' capital. The agroindustrial sector will participate only as long as it carries out the direct acquisition and purchase of Venezuelan crops.

Weekend Farmers

The FCA approved at its most recent meeting a number of requirements that a producer must meet to obtain a loan from that agricultural credit institution.

First of all, a farm owner must be totally involved in working his land, since a very direct relationship has been confirmed between arrears of credit payments and "weekend farmers."

If the farm owner does not remain on the land on a permanent basis, he must present a contract certifying that an accredited farming professional is taking care of agricultural production.

Whoever does not wish to meet these requirements, let him request the loan from an organization other than the FCA, explained Ismael Hernandez.

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CSO: 3348/533

FCA PRESIDENT ANNOUNCES LOANS FOR AGRICULTURAL SECTORS

Caracas EL NACIONAL in Spanish 29 Jun 83 p D-7

[Text] Following required modifications guaranteeing that the financial sector invest 20 percent of its credit portfolios in the agricultural sector, the banking sector's credits to the agricultural sector will amount to 14 billion bolivares.

Ismael Hernandez, president of the Agriculture and Livestock Credit Fund (FCA), made the announcement yesterday. He reported that the economic cabinet at a meeting Monday approved a bond issue of 500 million bolivares to refinance part of the agricultural debt, and commercial banks could invest in these bonds.

Such bonds will be for a term of 15 years at 7-percent interest. They will be considered or accepted as part of the portfolio that credit institutions are required to maintain for agricultural development.

According to the explanation Hernandez gave, the banking sector can obtain a good part of the required 20-percent of its portfolio for agricultural credits by acquiring these bonds.

The approved regulation implies that the agricultural portfolio of banks must include not only financing for the purely productive sector, but also that credits granted to the agroindustry be included.

To guarantee that the banking sector fulfills its obligation of assigning 14 billion bolivares for agricultural development, FCA will assist the Superintendency of Banks, a Finance Ministry agency that does not have sufficient resources to carry out the pertinent supervision correctly.

Recent studies indicated that the banking sector is allocating 17 percent of its credit portfolio to the agricultural sector, although supervision was difficult, Hernandez said.

The official explained that to refinance the agricultural debt, it was approved at the FCA that those producers who do not take care of their farm must present a contract with a farming professional who will watch over production so that it is under permanent supervision.

Hernandez, who also is director of the Central Bank of Venezuela (BCV), indicated that the new regulation calling for the banking sector to allot 20 percent of its total portfolios to agricultural credits was to be submitted to the issuing institution last night. In addition, monetary authorities reportedly will consider a credit of 600 million bolivares for the sector through the FIV [Venezuelan Investment Fund].

He said FCA requested the BCV and Finance Ministry for external audits that would be published to show banking activities.

Hernandez further explained that the IDB has sent an advisory mission for the credit that will be requested in the first half of August. Between now and that time, Venezuela will decide if it can assume responsibility for that financial assistance of 480 million bolivares, which appears likely with the FAC administering such resources.

The 480 million credit is part of an overall credit of 900 million bolivares that the IDB will grant Venezuela. Financing will be at approximately 9.5 percent, whose cost will be transferred to local borrowers.

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CSO: 3348/533

ECONOMIC CABINET STUDIES REFINANCING OF AGRICULTURAL DEBT

Caracas EL UNIVERSAL in Spanish 28 Jun 83 p 2-1

[Article by Fanny Perez]

[Text] The Economic Cabinet, gathered at its Monday session, has decided to approve a number of general rules for financing the internal debt of the agricultural sector.

The minister of agriculture and livestock (MAC), Cesar Augusto Guevara, explained the general bases upon which the executive will refinance the agricultural-livestock debt. In principle, it will be done through official institutions such as ICAP [Agricultural-Livestock Credit Institute], BANDAGRO [Agricultural-Livestock Development Bank] and CENAZUCA [Sugar Refineries].

The fundamental criterion they will manage is, first of all, the refinancing of debts on an individual basis. It means that these institutions will evaluate financing facilities on a case-by-case basis and not as a whole.

Secondly, greater importance will be attached to those producers that have had problems getting paid for their crops. Thirdly, the state agencies must examine not only the financial aspect of the credit, but also must provide formulas that allow the farm worker to earn an adequate income.

We are not trying to corner the agricultural-livestock producer to make him meet his obligation with the banks. We want him to pay his obligations with a certain ease which at the same time lets him have adequate earnings to continue with his work, said the minister of agriculture.

Refinancing of the agricultural debt has been preliminary estimated at 800 million bolivares to be distributed through ICAP, CENAZUCA and BANDAGRO.

Participation of commercial banks in the medium term is included in this refinancing program. To this end, the minister of agriculture and livestock announced that a study was sent to the Central Bank of Venezuela [BCV] yesterday containing revisions to decrees 1,251 and 1,272. With such revisions, the executive--Finance Ministry and MAC--wants to provide an incentive for and make more compulsory the 20-percent investment of private banking portfolios in the agriculture and livestock sector.

Decree 1,251 refers to utilization of the 20 percent of commercial banks capital in the agricultural sector and decree 1,272 deals with exemptions that banks grant on loans to this same sector of the economy.

500 Million in Bonds From Debt

The vice minister of information and tourism, Nelson Rodriguez Garcia, provided more precise information on financial facilities to the agricultural sector.

In this regard, he reported that the Economic Cabinet approved a public debt bond issue of 500 million bolivares to be channeled through the Agriculture and Livestock Credit Fund.

The financial conditions on these bonds of the public debt limit them to a period of 15 years at 7 percent interest. This bond issue approved by the Economic Cabinet must first be approved by the congress of the republic, subject to authorization by the BCV.

Another of the decisions made at the meeting of ministers of the economic sector was approval of \$5 million for the Caribbean Development Bank [CDB], whose payment is subject to a 4-year installment period starting in 1984.

Payment can be made in cash. Another payment method considered is by means of nonendorsable promissory notes without interests, which can be redeemed through the loans program of the CDB Special Fund.

The contribution that Venezuela will make to this banking institution is similar to that made by other countries such as Colombia and Mexico, whose contribution amounts to 7.1 percent.

Lastly, the vice minister of information explained that this action requires approval of the president to be carried out.

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